

Exclusive Offering

Walgreens

Redeveloped to Walgreens in 2010 | 12+/- Lease Years Remain | Absolute NNN Lease



514 Farrell Street | Burlington, VT 05401



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Offering Summary



Walgreens

INVESTMENT DETAILS

Address	514 Farrell Street Burlington, VT 05401
Building Type	Freestanding Retail
Offering Price	\$12,000,000
Cap Rate	5.6%
Ownership Interest	Fee Simple
NOI	\$671,000
Rent/SF	\$29.79
Lease Type	Absolute NNN
Absolute NNN	1/31/2011
Initial Term	25 Years
Initial Term Remaining	+/- 12 Years
Lease Expiration	1/31/2036
Renewal Options*	50, 1-Year Options
Building Size	26,340 SF
Parcel Size	1.16

Walgreens 514 Farrell Street, Burlington, Vermont 05401

Donahue & Associates, LLC ("DA") is pleased to offer for sale the fee simple interest in a freestanding-Walgreens (the "Property" or "Asset") located on the outskirts of downtown Burlington on a high traffic retail corridor in South Burlington, Vermont. Despite the recent announcement of this stores closure, the Property still benefits from an absolute triple net lease with approximately 12 years of primary term remaining, NNN with no landlord obligations. Walgreens (the "Tenant") is a publicly traded pharmacy retailer with over 8,400 locations. The Assets future potential benefits from a high-visibility location, just 0.25 miles of Interstate 189, within Burlington/South Burlington's highly active retail trade area. The Property's lease guarantee, an absolute-NNN lease term with approximately 12 years remaining, and lighted intersection on high traffic retail corridor make this an ideal location to leverage the existing lease commitment into an exciting redevelopment of the property.

Investment Highlights

The Asset is leased on an absolute net basis to Walgreens with no landlord obligations and approximately 12 years of contractual term remaining, providing an opportunity to pursue a redevelopment or retenanting of the Property with

Strong Retail Positioning and Submarket

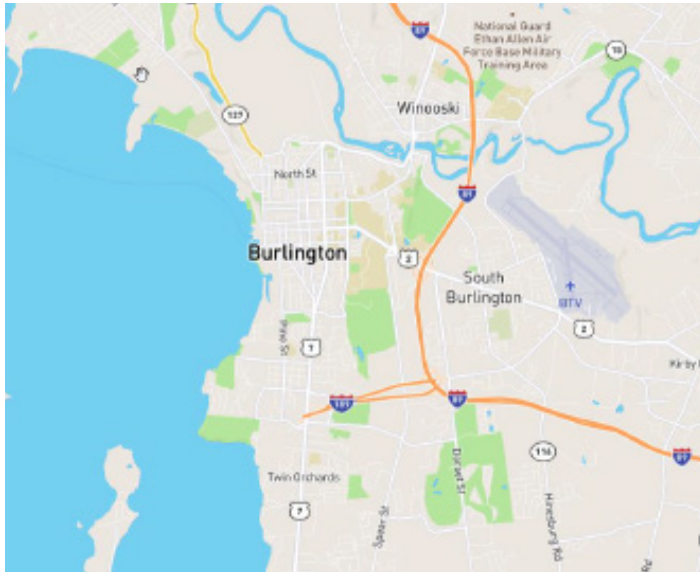
The Asset is located within the Burlington/South Burlington retail trade corridor, on the lighted intersection of Farrell Street and Shelburne Road(Route7), which sees 30,900 vehicles per day. In close proximity there are three grocery store anchored shopping centers and a number of national and regional tenants that help to drive additional traffic to the area. This list includes Shaw's Supermarket, Dollar Tree, Starbucks, Five Guy's, Chipotle, Orange Theory, Price Chopper, Home Goods, Sierra Trading Post, T.J. Maxx, Hannafords, Lowe's, HomeGoods, T.J. Maxx, and numerous other restaurants, finance, medical, and entertainment businesses.

Financial Overview

Walgreens is a subsidiary of Walgreens Boots Alliance, Inc, currently traded on the NASDAQ under the symbol WBA. Walgreens Boots Alliance Inc. expects total revenues of for prior year to be an estimated \$147 billion to \$151 billion. Recently Walgreens rose 27% on reports of shedding underperforming assets and stores, and increasing revenues.

Redvelopment Opportunity

This property presents an opportunity to redevelop this Asset via a re-tenanting plan for the first floor 15,682 square foot street level space including a drive through, and the 10,658 square foot 2nd floor. The local areas food service, soft goods, and general retail demand remains high and opportunities will arise for an investor.



High Barriers to Entry

The local area is saturated with office and retail space with low vacancy factor within a 1-mile radius from the Property. There is over 1.5 million square feet of office and retail inventory in the same radius, making this an extremely desirable submarket with minimal opportunity for new developments. Additionally, there are a total of 733 multi-family units within a 1-mile radius and just a 2.3% vacancy rate.

Strong Corporate Presence

South Burlington has a strong presence of major national corporations including the headquarters of Burton Snowboards, which is located just 0.75 miles from the Property and contains over 400 employees. Other major companies nearby include Rhino Foods, Farrell Distributing, Ben & Jerry's, GE Healthcare, University of Vermont and the University of Vermont Medical Center., UBS, and Dealer.com

Close Proximity to West End of Interstate 189

The Asset is located 0.25 miles from the west ending point of Interstate 189, which ends at Route 7/ Shelburne Road and sees 39,100 vehicles per day. This creates a large volume of traffic passing by the Property on their way to downtown Burlington to work, enjoy some shopping or returning to their homes.

Outstanding Local Demographics

The Asset serves a dense and wealthy local demographic with over 55,000 residents in a 3-mile radius. 22.5% of the population in this radius have an average household income of over \$100,000 per year. The Property is walkable from many residential, senior housing, and office properties.

Unique Local Zoning Ordinances

Under South Burlington's zoning regulations, new construction in the area PUD requires a building to be at least two operable stories, including retail buildings. The Property is a two-story building compliant with this ordinance.





Burlington, VT

Burlington is the largest city in the state of Vermont with a population of approximately 43,000 residents and over 210,000 in the metropolitan area. Burlington is known for its highly educated population and progressive values. The city is located along Lake Champlain, just 45 miles south of the Canadian/U.S. border and the city of Montreal.

Burlington serves as a regional college town, home to the University of Vermont and Champlain College, containing 12,000 and 2,000 students, respectively.

Burlington is rich in outdoor activities, cultural events, and local attractions. The city's historic downtown is home to a thriving arts scene, great shopping, dining and year round events and activities. The city is served by the Patrick Leahy Burlington International Airport, having direct flights to many major US Cities, under 2 hour drive to Montreal, and 3 hours to Boston, MA.. AMTRAK'S Ethan Allen Express brings passengers to New York City while a Champlain Transportations ferry service connects to the upstate New York region. The city's economy centers on education, health services, trade, transportation, and utilities. The largest employers in Burlington include the UVM Medical Center, the largest hospital in the state, and the University of Vermont. Other well known employers include US Citizenship and Immigration Services, Homeland Security, Dealer.Com, and Ben & Jerry's Ice Cream. Burlington has developed a growing tech scene, with several startup companies and established businesses in industries like software development, green technology, and biotechnology.

Demographics

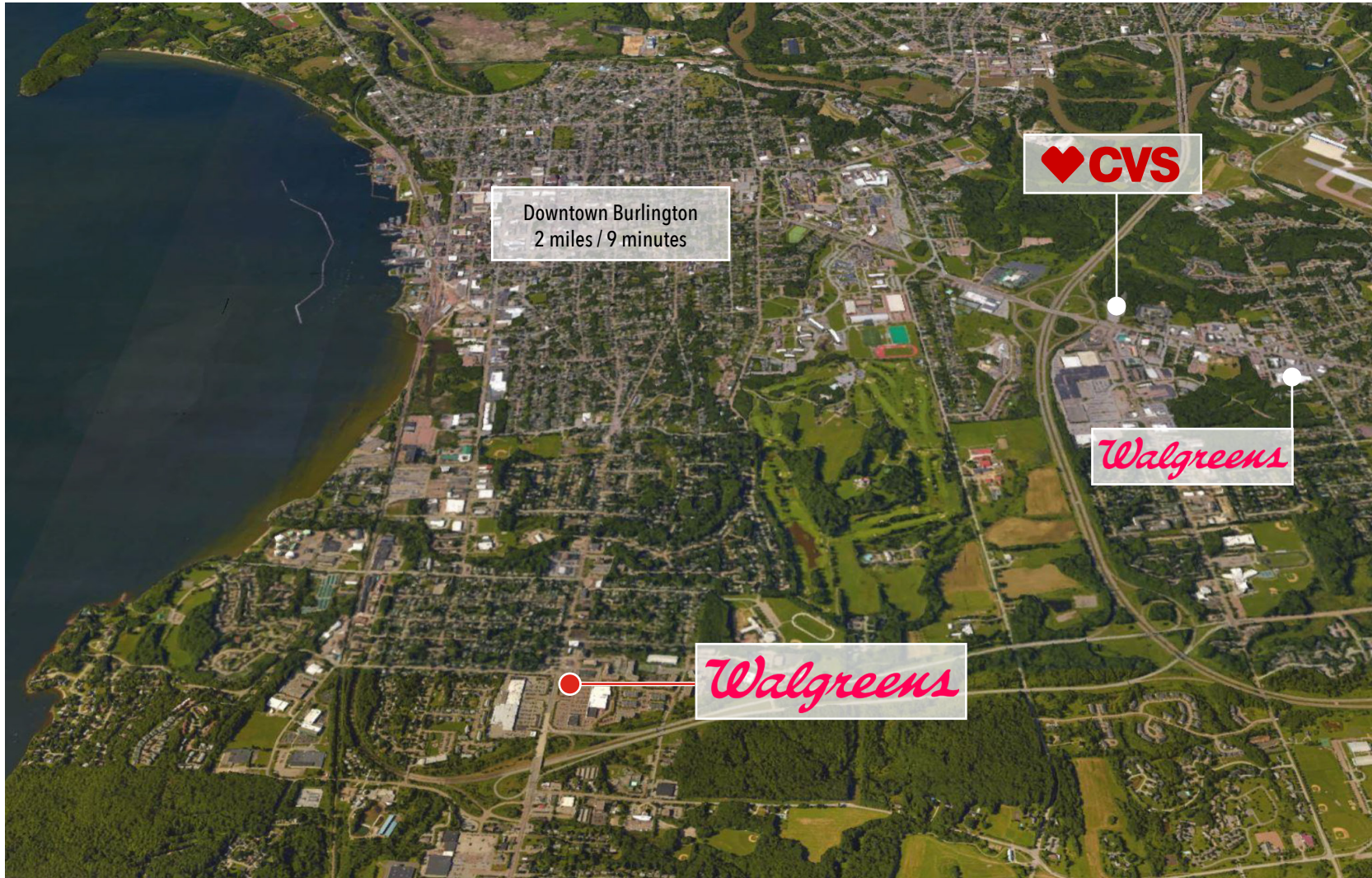
	1-mile radius	3-mile radius	5-mile radius
Population:	7,474	55,220	80,230
Households:	3,437	21,468	32,143
Median HH Income:	\$63,742	\$52,094	\$56,244
Average HH Income:	6.00%	\$87,248	\$77,876
% of Population w/ Income Over \$100k:	30.2%	22.5%	25.8%
Total Daytime Employment:	8,828	56,594	82,452





1- Mile Radius Multi-Family Housing Statistics

- 316 Flynn Ave: 100% Occupied - \$3.07/SF
- City's Edge Condos: 100% Occupied - \$1.54/SF
- O'Dell Apartments: 99.1% Occupied - \$1.31/SF
- Bacon Street Lofts: 95.0% Occupied - \$1.70/SF
- The Olympiad: 94.8% Occupied - \$1.86/SF



Walgreens Subject Property

Walgreens 2.9 Miles / 8 Minutes

♥ CVS 3.0 Miles / 8 Minutes

Walgreens Overview



Walgreens 514 Farrell Street, Burlington, Vermont 05401

Company Overview

Founded in 1901, Walgreens Boots Alliance (“Walgreens”) is the global leader in pharmacy-led health and wellbeing retail. Walgreens operates more than 12,500 stores in 11 countries - 8,400 +/- of which are in the 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. Walgreens’ stores offer a wide range of consumer goods in addition to its pharmacy, health and wellness services. Bolstering Walgreens’ impressive six million daily customers, an average of 68 million people visit Walgreens’ websites (walgreens.com and drugstore.com) monthly.

In 2014, Walgreen’s merged with Alliance Boots, a Swiss-based pharmaceutical group with a presence in over 27 countries. Walgreens first bought a 45% stake in the Swiss multinational for \$6.7 billion with the option to buy the remainder at a later date. The acquisition allowed Walgreens to spread its operations on an international scale with approximately 400,000 global employees.

In September 2017, Walgreens purchased 1,932 Rite Aid stores across the country, growing Walgreens’ national presence as the largest pharmacy chain in the United States.

Walgreens

Company	Walgreens Boots Alliance
Year	Founded 1901
Headquarters	Deerfield, IL
Ownership Type	Public (NASDAQ: WBA)
Stock Index Membership	S&P 500 Component
Sector	Drug Stores
Locations in the U.S.	8,400+
Number of Employees	235,000+
Annual Revenue (YE 2024)	\$147.65 Billion
Market Capitalization	\$8.88 Billion

Website www.walgreensbootsalliance.com

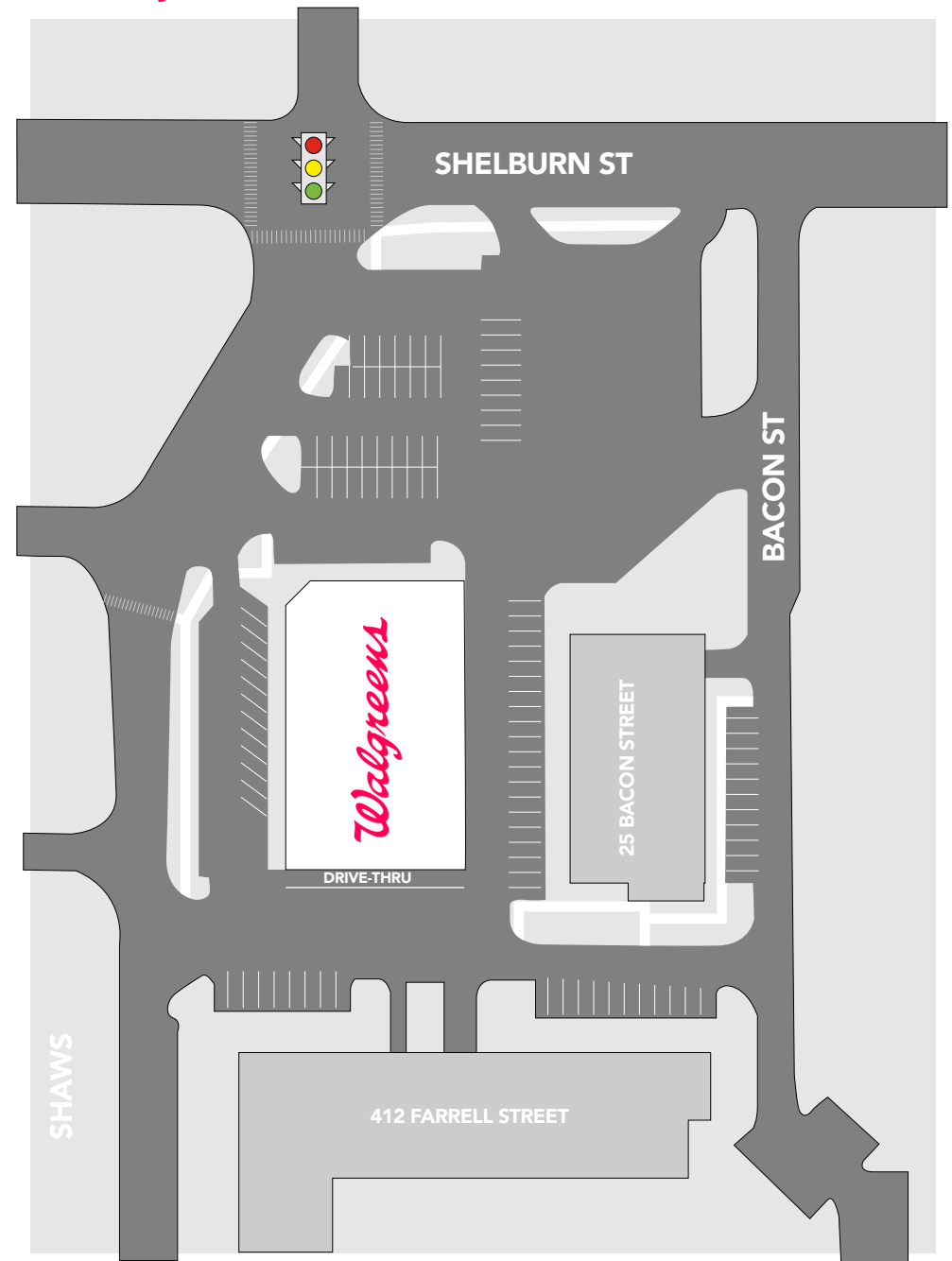
PROPERTY DETAILS

Address: 514 Farrell St
Year Built: 1954
Building Size: 26,340 Square Feet
First Floor: 15,682 Square Feet
2nd Level: 10,658 Square Feet
Lot Size: .92 Acres
Tenant: Walgreens

LEASE SUMMARY

Lease Type: NNN
Landlord Responsibilities: None
Rent Start Date: 1/31/2011
Firm Term End Date: 1/31/2086
Termination Options: As of 1/31/2036, Tenant may terminate with 12 months notice

Walgreens 514 Farrell Street, Burlington, Vermont 05401



Investment Summary

Walgreens 514 Farrell Street, Burlington, Vermont 05401

\$12,000,000

PRICE

5.6%

CAP RATE

\$671,000

ANNUAL RENT

12 +/-

YRS. GUARANTEED

Buyer MUST assume the existing loan:

- Non-Recourse CMBS Loan
- Fixed Rate Interest Loan
- Rate is 3.49%
- Loan due 12/31/2029

MATH

CAP Rate	5.6%
Purchase Price	\$12,000,000
Less Loan Amount	(\$7,053,000)
Cash Required	\$4,947,000
Avg Net Annual Cash Flow	\$419,000
Avg Cash on Cash	8.4%
Loan to Value	

NET CASH FLOWS TO BUYER

Year	Start	End	Annual Rent	Annual Debt Service	Net Annual Cash Flow	Return On Cash
1	1/1/2024	12/31/2024	\$671,000	(\$252,000)	\$419,000	8.4%
2	1/1/2025	12/31/2025	\$671,000	(\$252,000)	\$419,000	8.4%
3	1/1/2026	12/31/2026	\$671,000	(\$252,000)	\$419,000	8.4%
4	1/1/2027	12/31/2027	\$671,000	(\$252,000)	\$419,000	8.4%
5	1/1/2028	12/31/2028	\$671,000	(\$252,000)	\$419,000	8.4%
6	1/1/2029	12/31/2029	\$671,000	(\$252,000)	\$419,000	8.4%
Total Cash Net Flow:					\$2,514,000	8.4%





